

## Liberalism

### **"Responsible for remarkable and radical reforms." How justified is this verdict on the Liberal administration 1906-14?**

With the dawn of a new century, attitudes in Britain about the nature of society underwent a profound rejuvenation, as the reformist ideas of liberal thinkers such as Hobson and Hobhouse, supported by damning studies of inner city life by men like Rowntree and Booth, caught hold. This "New Liberalism", as it came to be called, imbued the pre-war government, which established a social safety net and brought in redistributive taxation, in recognition of the fact that true equality of opportunity was inachievable in a society of such social and material disparity as Edwardian Britain. However, social reform was only a priority when it suited the cause of the Liberal Party, and even then it fell well short of the "Nanny State" and encouraged personal endeavour and thrift. The Liberal leadership was far more interested in satisfying traditional - well off - supporters with constitutional reform, than in attracting a working class vote still unfamiliar with Labour.

The flurry of social reform bills that went through Parliament during the period were a dramatic new departure, for never before had such a major restructuring of social welfare been contemplated in such a short space of time. This demonstrated a comprehensive change in attitude towards the weakest individuals in society: it was at last recognised that the old, the young, the sick, the unemployed, could encounter misfortune through no fault of their own, and it was the responsibility of society as a whole to care for such individuals.

In this sense the social reforms were remarkable: "A woman dropped dead from excitement" (The Daily Express) as she received her first ever old age pension payment in 1909; the "Children's Charter" of 1907 created a furore as the State was seen to be taking over the personal responsibility of the parent to the child; the National Insurance Act of 1911 was at the centre of a major debate on the liberty and rights of the individual, because the scheme was compulsory for all those earning less than £160 per annum. The new labour regulations, including selective minimum wages and maximum working hours, were seen by many as a direct attack on the freedom of the market, and a dangerous precedent for socialism. The Liberal administration tackled issues which for a long time had been excluded from the process of government, and this aroused passions on both sides. The "People's Budget" of 1909 caused the creation of the "Budget Protest League" and the "Budget Defence League"; the National Insurance Act was attacked even from the Left because it was illiberal and compulsory, because it infringed the rights of workers, of Unions, Friendly Societies and insurance companies.

Remarkable they might have been, but these social reforms had not come out of the blue. Many countries, such as Germany, New Zealand and Finland, had had an established programme of social welfare for many years, and some measures, such as the provision of old age pensions, had been demanded for some time. That Lloyd George called for "a slice of Bismarckianism" is a sign that the example of Germany was a powerful factor. It was Germany, of course, which was proving to be the most "efficient" nation of the period and was seriously challenging the established world order, while British muscle and self-confidence were being eroded. In Manchester, 8,000 of 11,000 volunteers for the Boer War had been deemed physically unfit for service, a dismal statistic that was shown by Rowntree and Booth not be an exception:

if Britain was to survive in an age of Social Darwinism, she would need a healthier, better population. The danger of socialism, too, was perceived, and the preservation of the fabric of society was thought to rest on the provision of a decent life for all. The reforms were by no means Marxist, and State support alone was inadequate to lead a decent life. The Liberal administration was concerned above all with not discouraging hard work, personal responsibility and thrift, and all its legislation was underpinned by traditional Liberal values. Even Lloyd George, the most prominent of the Radicals in the Liberal Party, did not begrudge successful people their wealth, nor condoned the laziness of some of the needy. Only the poorest, oldest, and most sober of elderly people would receive a pension, which at 5s. per week was well below the amount needed for survival. The sick were given 10s. per week and free medical care, and the unemployed 7s. per week, but only in return for a weekly 6 1/2d. contribution. The unemployment benefits, what is more, ran out after 15 weeks, encouraging serious job-seeking on the part of the unfortunate laid off worker. In none of these cases was State providence generous, and it was only designed as a supplement to personal savings. While the mainstream acceptance of the concept of State paternalism was in itself a remarkable development in British politics, calling the actual social reforms of 1906-1914 radical is an exaggeration.

Moreover, the extent to which the Liberal administration promulgated this new philosophy and was responsible for a coherent programme of social reform is questionable. The majority of the measures were piloted through Parliament by individual MPs, especially Lloyd George and Churchill, and relied on the pressure from Labour MPs and the Trade Unions. A rash of strikes after 1909, riots, and union amalgamations that increased the bargaining power of the working class, with the threat of a General Strike on the eve of war, frightened the Liberals into reluctantly conceding social reform. If they could safely ignore this left-wing pressure, for example over reform of the Poor Laws, however, they would. It was only when Lloyd George's "People's Budget," attacking unearned wealth and luxury, aroused the hatred of the Conservatives and the Lords, that the Gladstonian rump of the party wholeheartedly supported him. The Budget, indeed, gave the Liberal Party an opportunity to denounce "Feudalism" and to press for constitutional change, a cause behind which traditional, nonconformist, middle class liberalism could truly unite. The Liberal administration gleefully attacked the right of an unelected elite to prevent the desires of the people's elected representatives; with a new mandate from the people in January 1910 the Lords could hardly refuse the Budget a second time. The Liberals went further, introducing a Parliament Bill to curb the veto of the Lords, with the same results; this unmitigated success for the Liberals gave them a radical reputation, which was only half deserved. In their support for constitutional reform, the Liberals were treading on familiar territory. "We have been put into power by the Nonconformists", had said Campbell-Bannerman 1906, and the Liberals' priority throughout the period was to repay the debt to their traditional supporters. Issues such as Welsh disestablishment and tighter alcohol tax and licensing were of greater importance than social questions. Reforms of the political system, such as the payment of MPs and the Trades Union Act, were widely supported by Liberals even though they benefitted Labour more, because such measures adhered to the traditional liberal creed of the rationalisation of government and equality of opportunity. Even so, the most important and radical of the proposed constitutional reforms, namely the acceptance of the right of women to vote and the devolution of Home Rule to Ireland, were not made law under the pre-war Liberals. The parliamentary

Liberals were, at heart, a conservative set, and were wary of rocking the boat too much.

While it would be wrong to say that the period 1906-14 was not a time of great changes both constitutional and social, it is an exaggeration to claim that the Liberal administration as a whole was radical. Though there was an increasing sense that the condition of the poor was the business of the State, and though Lloyd George and other "New Liberals" gave the impression of being on a moral crusade, traditional liberal values still dominated the Cabinet and the back benches, and the Government's social legislation was much more a response to pressure than a concerted programme based on a new ideology. The Liberals knew that their long-term future rested on continued loyalty from their traditional supporters, and were not going to sacrifice this for short-term populism if and when it would alienate the middle classes.

### **Introduction: The rise of Labour and the decline of the Liberal Party(1)**

Until recently, historians largely agreed that the changing political alignments of early twentieth century Britain, notably the rise of Labour, were related to the emergence of social class as a basis for political alignments. Debate was concentrated on the *timing* of the maturation of class experience into political consciousness, rather than disputing it altogether. For some, the failure of the Liberal Party to accommodate working-class demands made the rise of independent labour politics inevitable, even before 1914.(2) Anti-trade union legal judgements in the early twentieth century strengthened the convictions of trade unionists that supporting the Liberal Party was becoming increasingly inappropriate, and led them to establish first the Labour Representation Committee and then the Labour Party as a serious electoral threat to the Liberals in the pre-war period.(3) Other scholars, however, although accepting that class did become an important factor in defining political alignment during the early twentieth century, argued that the Liberals, as the traditional working-class party, were able to respond adequately to intensified class consciousness before 1914. Peter Clarke, for example, argued that the 'New Liberalism' expressed in a series of major social reforms from 1906, was able to rally working-class support for the Liberals before the war. It was the strains of the war itself, and the resulting split in the Liberal Party which eventually led to Labour's ascendancy over the Liberals. Some progress was made by Labour immediately before the war, but no body of contemporary opinion believed that Labour was on the verge of a breakthrough: "no shred of evidence existed anywhere which might suggest that within ten years the Labour Party would be forming the government of the country."

Further debate has taken place over the nature of the class consciousness which motivated the founders of the early Labour Party. For those coming from a Marxist perspective, the problem has been to explain the failure of the Party, whilst in office, to remain consistent to its working class roots. The disastrous government of 1929-31 in particular has been interpreted as a betrayal in these terms. Yet for others, the party behaved entirely consistently with the class consciousness of those, predominantly trades unionists, who founded it. It was interpreted as the product of a particular type of working-class awareness; not socialism, but a socially conservative, defensive working-class identity which was cultivated by the trade unions, and expressed for example through the associational leisure activities in which many workers took part. Thus the Labour Party could be essentially characterised as a bureaucratic trade unions' party, where loyalty to the movement replaced socialist ideology: "this was a

trade union code of behaviour; so were the political aims of the Labour Party essentially trade-union ones."

The most significant point about class-based explanations of the rise of Labour is the implicit suggestion that the late nineteenth and early twentieth centuries represented a period of fundamental discontinuity within British politics, when class replaced older allegiances such as religion, ethnicity, or deferential loyalties as the basis for political alignment. Recent work has posed a challenge to this interpretation, attempting instead to explain popular politics in terms of a sustained continuity in popular Radicalism which may be traced through the Chartist movements of the 1830s and 1840s, and the popular support for Gladstonian Liberalism, into the early twentieth century and the rise of the Labour Party. Of central importance to understanding political formations, it is argued, is the ideological content of popular politics. The formative influences on this thesis are thus acknowledged as the work of Peter Clarke and Gareth Stedman Jones in stressing the importance of reconstructing and reasserting the intellectual roots of popular politics."

This work is valuable, and much of it is persuasive. The adapted quote used by Biagini and Reid to summarise their thesis - "those who were originally called Chartists were afterwards called Liberal and Labour activists" - cannot easily be disputed, even if it may only be explained in generational terms. The Labour Party was not fashioned upon an entirely clean sheet. Many of its early activists did indeed express views which may be placed within the Radical political tradition, and many of them indeed supported or were active in the Liberal Party; some of the oldest could no doubt draw on memories of Chartism. Indeed, perhaps the most useful aspect of this new work has been the reassessment of the radical undercurrents informing the politics of the period 1850-1880, hitherto explained largely as a difficult hiatus within the history of class struggle, or rather inadequately in terms of a theory of labour aristocracy."

I want to suggest, however, that this thesis is inadequate as an explanation of the dynamics of popular politics, in that it fails to explain why the Labour Party was formed in the first place, and rose to prominence as the main political party of the left in Britain. In other words, if Liberalism had a genuinely widespread popular appeal, and there seems to be no reason not to go along with the suggestion that in the Gladstonian era at least it did have, why did it fail, after 1900, to accommodate a growing body of working-class radicals? Or, perhaps more accurately, why did it lose out to the Labour party in some localities, but retained its strength in other areas, notably the south west of England, until the 1930s? This research focuses on the south west town of Plymouth, and explores the changing political and social formations in the town during the late nineteenth and early twentieth centuries. Analysis of social relations and politics in two of the most important institutions in Plymouth, the naval dockyard and the consumers' co-operative society, suggests that the period may in fact be perceived as a major discontinuity within popular politics, when the entire political system was remade.

What follows is divided into several sections. First, I offer a brief overview of the context in which this study is set, and then focus on the two main areas of concern, the dockyard and the co-operative society. Then I turn my attention to the movement for independent labour representation as it developed within Plymouth, paying close attention to the deployment of particular political languages. The final section is devoted to a closer analysis of the changes in popular politics during this period.

Footnotes

Liberals were bound to apply themselves to the new conditions in a new way, and it savors of pedantry to accuse Liberal economists of 1906 of having departed from the principles of Liberal economists of 1846. Paradoxical as it may appear to say that a positive policy of constant interference is the same as a negative policy of constant abstention, it is true that the mental habit at the back of the one is identical with that at the back of the other. Both aim at emancipating the individual from the things which prevent him from developing his natural capacities. The Manchester School saw only the fetters which directly impeded him. The modern Liberal sees also the want of the positive aids without which he is only half free. "Of all the obstacles which obstruct men's advance toward good living, and of all the evils with which politics can help to deal, there is no obstacle more formidable and no evil more grave than poverty.... Our first principle leads clearly and directly to a policy of social reform. Whoever admits that the duty of the state is to secure, so far as it is able, the fullest opportunities to lead the best life, cannot refuse to accept the further proposition, that to lessen the causes of poverty and to lighten its effects are essential parts of a right policy of state action." Poverty cripples the individual in many ways. . . . No one who seriously believes that it is the duty of society to secure freedom of growth to every one of its members can doubt that it is its duty to mitigate, so far as it is able, those consequences of poverty which no degree of thrift, enterprise, or fortitude can avert. To this end the economic reforms of the new Liberalism have been directed. The Labor Exchanges Act did not furnish work for all. It provided facilities for obtaining work for all who sought for it. The workman is no longer left to scramble about for fresh employment. He goes to a public office, where he learns what posts are vacant, and is put in touch with those who may be willing to employ him. No man can now complain that because he cannot afford to travel in search of work, or to delay for more than a day or two before he finds it, he has suffered a permanent deterioration in health or character. If this Act can eliminate the evils of casual and irregular labor, it will have enormously increased individual liberty for growth. The Old Age Pensions Act removed from the shoulders of working-class families what was to many an intolerable burden. Before the Act came into force some thousands of men and women, from no cause but the lapse of time, became incapable of supporting themselves. The alternatives were the workhouse and the generosity of their children. The first meant a loss of independence for themselves, the second a fetter upon the freedom of their relations.... All these measures are based upon the same principle that absolute liberty of the individual meant the degradation, if not the destruction, of many individuals who were poor. There can be no equal chance of growth so long as accidents which cannot be averted, by any effort of the individual, may permanently impair his natural capacity. Social reform is justified as a national army is justified. It is a system of common organization for the purpose of common protection.... This elaboration of the system of protection is not inconsistent with such competition as is necessary for the development of character, and for the production of the wealth which is so distributed among the members of society. It is not socialism. It is not a system of doles. It removes only some of the risks of failure, and only those which are beyond individual control.... The benefit of competition remains. The disasters inevitably attendant on it are averted. The poorer people no longer wrestle on the brink of an unfenced precipice. "I do not want to see impaired the vigor of competition, but we can do much to mitigate the consequences of failure. We want to draw a line below which we will not allow persons to live and labor, yet above which they may compete with all the strength of their manhood. We want to have free

competition upwards; we decline to allow free competition to run downwards. We do not want to pull down the structures of science and civilization, but to spread a net over the abyss . . ."

It is obvious that this new economic liberalism has borrowed largely from socialism, and it has one character in common with protection. Once we admit that it is right for the state to interfere with economic freedom, we have advanced one step on the road which leads toward the nationalization of industry and toward the regulation of production by tariffs. The difference between social reform and tariff reform is nevertheless clear. Social reform operates directly, only where it is needed, and without substantially interfering with any individual's enjoyment of life. Tariff reform, if it can destroy poverty at all, can only destroy it indirectly by giving higher profits to the employer, who may or may not share his increased gains with his work-people.....

The resemblance between social reform and socialism is much more real. The sympathies and the objects of the two are not dissimilar, though their practical proposals are essentially different. Socialism, so far as it is ever expressed in definite terms, makes a logical application of a general formula. Private ownership of the means of production, distribution, and exchange means a combination of the owners of capital against the wage-earners to the injury of the class which is economically the weaker of the two. Therefore society as a whole must take possession of industrial capital, production for use must be substituted for production for profit, work at a good wage must be guaranteed to everyone who asks for it, and the fair distribution of wealth among the workers must be regarded as of more primary importance than the quantity which is produced. Socialists differ widely about methods and the rapidity with which the economic change is to be effected. Generally, the modern socialist of the Fabian type prefers a gradual evolution to the cruder appropriations of early thinkers, he is prepared to exempt certain industries from his scheme, and the equal distribution of rewards has gone the way of the class war and community of goods. But all agree that, sooner or later, society, as politically organized in the form of the state, shall produce and distribute or control the production and distribution of wealth according to ethical principles. The Liberal is less universal in his proposals. He does not object to the municipalization, or even nationalization, of mechanical monopolies, of industries which in fact do not admit of competition. Such industries as the supply of water, gas, and electricity, tramways and railways are not in fact competitive, and efficiency is probably as well maintained by aggrieved payers of rates and taxes as by shareholders disappointed of their profits. But the Liberal is not disposed to admit that similar conditions would produce similar results in industries of a more speculative or hazardous character. Nor can he admit that private ownership of capital necessarily involves the exploitation of labor. In certain industries, notably the cotton industry of Lancashire, he sees examples of the successful combination of individual enterprise in management with minimum standards of life and wages fixed either by the factory acts or by powerful trade unions, and he is not satisfied that the enterprise could be as brilliant or the minimum standards as high if the capital engaged were state-owned. In particular, the Liberal distrusts the bureaucratic system of management which socialism involves . . . Social reform requires the appointment of many officials. But the functions of such as have already been appointed are confined to inspection, to advice, and to the collection of money or information. We have had no experience of officials engaged in the manufacture of goods for export or in the conduct of the shipping trade. Such experience as we have had of municipal enterprise has only satisfied us of the capacity of officials who are controlled and criticized by unofficial

ratepayers who have a personal and pecuniary interest in the efficiency of the official. No Liberal government has yet proposed to extend official management to those many fields where success depends upon the judicious calculation of risks. Until that proposal is made there will always be a gulf between Liberals and Socialists and a distinction between the policy which limits the destructiveness of competition for private gain and that which abolishes such competition altogether